

ASSET & EQUITY CORPORATION

a financial and governmental advocacy firm

*Campbell County Lighthouse
Lodge and Convention Center*



breathtaking



views



Where's the resort?



The Campbell County Lighthouse Lodge and Convention Center is a “Win-Win” for everyone

Imagine drinking iced tea sitting in out on the veranda and seeing panoramic views of Norris Lake, the Clinch River, Norris Dam and the Smoky Mountains below. Also, imagine attracting people to Norris Dam State Park while providing needed revenue for Campbell County with virtually no risk to County or State taxpayers. Then, imagine staying at a resort destination hotel for people who want to visit the park, but who do not want to stay in rustic cabins.

This image will soon be a *reality* if the ***State Department of Environment and Conservation*** gives its approval for the ***Campbell County Lighthouse Lodge and Convention Center***.

The project will be financed through “limited obligation” revenue bonds. This means only revenue from the Lodge site itself will be pledged to repay the entirety of construction costs. These bonds, authorized by the Campbell County Commission, will not cost the County or State anything. On the contrary, the completed project will generate funds to the State and the County. If the project does not succeed, the bonds have a demolition reserve fund that will pay for the restoration of the site if the State so chooses.

The Lodge idea has been reviewed and supported by the Campbell County Commission, two Campbell County Mayors, the Campbell County Economic Development Council, the Lake City Council, the Lake City Chamber of Commerce, and the Campbell County Tourist Office.

Currently the site generates no money for the State or the County. When the Lodge is completed the site will generate tax revenues for the State, tax revenue for the County, jobs for local residents and much needed accommodations for people visiting the Norris Lake area. As well as providing a luxurious place to stay for events such as weddings and family reunions to be able to take place in larger groups that are not being accommodated today.

The Lodge is designed to compliment the view of the natural landscape by keeping most of the trees that are on this site — and by being built beneath the tree line. The proposal calls for a “LEED Certified” building that strives toward a carbon neutral impact. The Lodge will be a sustainable growth facility and have as little impact on environment as possible.

The Campbell County Lighthouse Lodge and Convention Center is a “Win-Win” for everyone. Yet, there continues to be a few people who oppose construction of the project. These opponents continue to misrepresent the facts of the financing for the project and continue to use half-truth arguments to mislead the public about the project. These opponents are mainly from outside Campbell County and are part of a historic exploitation of the county’s natural resources. These non-Campbell County residents are simply one more group who use Campbell County resources, but do not pay taxes in the County or purchase goods and services in the County.

More wealth has been taken out of Campbell County than any other county in the State. Campbell County continues to bear the scars of strip mining and the profits continue to leave the County. Millions of tons of coal have been ripped out by mountain top mining with very high enviromental impacts. Yet, median per capita income in Tennessee (\$37,925) is almost 40% greater than in Campbell County (\$27,458*).

Historically, the natural resource wealth has been taken out of the County. The Campbell County Lighthouse Lodge and Convention Center is an opportunity for Campbell County to use natural resources to bring wealth into their County.

The Tennessee General Assembly twice passed legislation authorizing the use of tax increment financing to help pay for the construction costs of the Lighthouse Lodge. Governor Bredesen supported this particular legislation by letting it become law. This is the same type of legislation the Governor requested for the construction of the Tennessee Titans Stadium when he was Mayor of Nashville.

Financial liability for the project will fall to the bond holders and consequently they will receive a higher interest rate commensurate with the risk involved. Neither State nor County taxpayers will be responsible for any financial default. As Charles Harrison of the Tennessee Comptroller's office said, "The State is protected."

This project is an opportunity for Campbell County to join other Tennessee communities in providing facilities for tourist related activities. Tourism is Tennessee's largest industry. Campbell County is blessed with beautiful vistas and the site of the proposed ***Campbell County Lodge and Convention*** is unsurpassed.

A few years ago the State of Tennessee spent over \$2 million to build a sewage treatment facility for Norris Dam State Park. Currently the system does not have enough effluent to operate efficiently. Further, the State spent almost \$1.5 million to rebuild the swimming pool at Norris Dam State Park. Now, the pool does not have enough people using it to break even financially. Both of these State-built facilities can benefit from increased usage by people staying at the Campbell County Lighthouse Lodge and Convention Center.

Isn't this much better than Strip Mining?

**based on 2005 estimates by US Census Bureau*

Page 2 of 2

601 S. Concord Street
Suite 200
Knoxville, TN 37919-3340
865.544.4220 ph
865.544.4225 fax

Americana Building
1400 Jefferson Davis Highway
Arlington, VA 22219
703.486.3661
email: wandgowen@aol.com

A PROPOSAL TO THE CAMPBELL COUNTY COMMISSION

January 12, 2004

Mr. Chairman Freeman and members of the Campbell County Commission:

Thank you for taking time to meet with us regarding an exciting and intriguing proposal for Campbell County and the Norris Lake area. Please allow me to briefly describe the project and give you an overview of the financial structure we are exploring. For far too long, investors have taken the natural resource wealth out of Campbell County. This is an opportunity for investors to put wealth back into Campbell County and Norris Lake.

I. Introduction to Lighthouse Lodge and Restaurant

Our client, Dr. Steve Pemberton, proposes to build a first quality resort type hotel and restaurant on land they currently have leased from the state of Tennessee. The Lighthouse Lodge will have 77 sleeping rooms and also have convention facilities and other meeting room areas. The restaurant will provide both dining and catering services for the hotel and surrounding customers. Both facilities will have stunning views of Norris Dam and Lake.

II. Benefits to Campbell County

The Lighthouse Lodge and Restaurant will benefit Campbell County in several ways. First, construction of the \$8 - \$10 million facility will provide jobs and money for the people of Campbell County during the construction phase. Second, the completed facility will provide ongoing employment to approximately 50-90 people. These employees will likely live in the nearby areas and will shop and pay taxes in Campbell County.

The largest benefit, of course, will be from the thousands of tourists and visitors who will patronize the Lighthouse Lodge and Restaurant. As you are aware, Norris Lake draws visitors from all parts of the country. The Lighthouse Lodge and Restaurant will be located on the bluff overlooking Norris Dam and Lake. It will be only 5 miles off of Interstate 75 and will be a destination facility for thousands of Norris Lake visitors each year. It will also serve as a convention/seminar facility for local businesses and groups that now use the facilities in other counties and states.

III. Financing Structure

We propose to finance the Lighthouse Lodge and Restaurant using tax increment and tax exempt industrial development bonds in a similar manner to that used by other communities for broad based community improvement purposes. For example: the Tennessee Titans stadium was financed by a combination of public and private guarantees that benefit both the public good and the private entities involved.

We are currently engaged in preparing a market analysis of the revenue that will be produced by the Lighthouse Lodge and Restaurant. Our plan is to have a qualified management team in to operate both facilities. This team will be required to provide assurances that they can operate the facilities at a financial margin that pays the debt service on the bonds.

Furthermore, we will structure added financial safeguards by maintaining a debt service reserve fund equal to one year's debt service and by requiring at-risk primary bondholders for 10 -15% of the bonds. For the first 20-25% of the project, these financial safeguards will protect against any default in the payment of the bonds.

We ask that Campbell County consider dedicating the increased tax revenue that the Lighthouse Lodge and Restaurant produces to payment of the bonds in the event the revenue from the operations' of the facility is not sufficient to meet debt service obligations. This method of financing is typical of tax increment financing and we do not anticipate any shortfalls. By using this structure, the project can benefit from lower interest rates and greater confidence in a successful bond sale.

IV. Risks to Campbell County

Campbell County will only be at risk for the tax revenue generated by the proposed site of the lodge and restaurant. Even then, the liability will only occur if the project is unable to pay its debt service; the management contractors exhaust their abilities; the debt service reserve fund is depleted; the at-risk primary bondholders' funds are used; and the sale of the facility does not bring seventy-five per cent of its appraised value. If the above "worst-case" scenario occurs, then Campbell County would be required to commit any increase in county tax funds that the facility is shown to generate.

Basically, this proposal is like investing in a rental house and your partner is investing an at-risk down payment of 25%. If the investment is successful, the county will reap the benefits. If the investment does not work out, the county will sell the facility and so long as it brings 75% of the appraised value, then there will be no loss to the county. If the sale of the facility does not generate 75% of the appraised value, then the county will be asked to pledge tax receipts from the property to offset any shortfall. Thus, the county is not pledging any funds the county is currently receiving. Further, the county is not pledging any future revenue except funds that may be generated from the lighthouse lodge site. Many cities and counties all over the country have made similar Woe investments quite successfully.

The paragraphs above have been superseded by the Inducement Resolution passed by the Campbell County Commission on November 20, 2007. The bonds will be "limited obligations" of the county and there will be no liability to county or state taxpayers beyond the site itself. A copy of the Inducement Resolution is included in a later section of this presentation.

V. Conclusion

The Lighthouse Lodge and Restaurant can be a premier resort destination in east Tennessee. It will benefit thousands of people in Campbell County and around the country. It will help provide jobs and incomes to hundreds of Campbell Countians. There will be no liability to Campbell County for revenue the county is currently receiving. There will be no liability to Campbell County on future revenue except from the site of the proposed lodge and restaurant.

We ask for your assistance in making the Lighthouse Lodge and Restaurant a reality. Accompanying this proposal, please find conceptual renderings of the project and additional information regarding the project.

FACT SHEET AND FREQUENTLY ASKED QUESTIONS***1. Who is developing the Lighthouse Lodge and Convention Center?***

The Campbell County Lighthouse Lodge and Convention Center will be developed by Campbell County. The county government will enter into a construction and operation agreement with a qualified management company to construct and operate the facility. All contracts will be done within the appropriate state and federal procurement laws. The contracts will be subject to audit by the State Comptroller's office.

2. Who will own the Campbell County Lighthouse Lodge and Convention Center?

Campbell County will own the Lodge and Convention Center. Under the IRS's tax exempt provisions for municipal bonds, only facilities that are owned by qualified government entities can issue tax exempt bonds. The sale of the bonds will be reviewed by the state comptroller's office.

3. Who owns the property now?

Currently, the Tennessee Valley Authority owns the land and has granted an "easement in perpetuity" to the State of Tennessee to manage the property. It is adjacent to the Norris Dam State Park. The state has leased the property to Dr. Steve Pemberton as part of the operation of Norris Dam Marina.

4. How will Campbell County acquire the property?

Dr. Pemberton will relinquish the site back to the state of Tennessee. The state will then enter into a lease with Campbell County to take over management of the property. Campbell County will then select a qualified management team to build and operate the Campbell County Lighthouse Lodge and Convention Center. All property transactions will be subject to approval by the State Building Commission, the Tennessee Valley Authority and the Campbell County Commission.

5. How large will the Campbell County Lighthouse Lodge and Convention Center be?

There will be approximately seventy-seven (77) guest rooms and a restaurant with meeting rooms to accommodate up to 250 people. This is in keeping with current market demands for smaller regional convention centers such as the ones at Lake Lanier in Georgia, Dale Hollow Lake in Kentucky, and Gunthersville in Alabama.

FACT SHEET AND FREQUENTLY ASKED QUESTIONS

It is estimated there will be between fifty to ninety jobs created by the Campbell County Lighthouse Lodge and Convention Center.

6. How much will the rooms cost?

It is estimated that the rooms will cost between \$80 and \$125 per night for single rooms and there will be 4-6 suites (depending on final architectural drawings) that will be priced at an appropriate suite rate. Naturally, the price of the rooms will be influenced by the season and availability, but the projections are based on an average rate of \$120 per night and 50% occupancy over a twelve month period.

7. How will the Campbell County Lighthouse Lodge and Convention Center be financed?

The proposal is to finance the Campbell County Lighthouse Lodge and Convention Center using tax increment and tax exempt revenue bonds in a similar manner to that used by other communities for broad based community improvement purposes. For example, the Tennessee Titans stadium was financed by this type of financing structure.

8. What are the financial risks to the State of Tennessee?

The financial risks will be limited to the site itself. As stated above, the bonds will be revenue bonds. The room rentals, the convention center operations and the taxes generated (less the 1.5% BEP dedicated state taxes) will be the only revenue streams pledged to retire the bonded debt service. There will be no other liability for the State of Tennessee, Campbell County or the Tennessee Valley Authority.

9. How much will the Campbell County Lighthouse Lodge and Convention Center cost to build?

The construction and furnishing of the Campbell County Lighthouse Lodge and Convention Center will cost eleven (11) to fourteen (14) million dollars.

10. Conclusion

The Campbell County Lighthouse Lodge and Convention Center can be a major resort destination in east Tennessee. It will benefit thousands of people in Campbell County, Anderson County, and Union County. It will provide jobs and revenue for local small businesses. There will be no financial liability to Tennessee taxpayers for revenue the state is currently receiving. There will be no liability to Tennessee taxpayers on future revenue except from the site of the proposed Campbell County Lighthouse Lodge and Convention Center.

Page 2 of 2

CAMPBELL COUNTY LIGHTHOUSE LODGE AND CONVENTION CENTER

Time Line page 1 of 2

January 12, 2004

- Presentation of proposal to County Commission workshop;
- Request for questions and concerns;
- Request for consideration for January 19, 2004 Commission meeting;

January 19, 2004

- Campbell County Commission requests introduction of state legislation authorizing taxing authority for Lodge and restaurant site;
- Campbell County commission authorizes the initiation of negotiations with State of Tennessee; Tennessee Valley Authority and potential site operators regarding feasibility and viability of Lighthouse Lodge concept;

January 20-29, 2004

- Special taxing authority legislation for site is drafted and introduced in 2004 legislature; February 1-29, 2004
- Negotiations with interested stakeholders occur.
- Stakeholders include: Campbell County; State of Tennessee; Tennessee Valley Authority; Potential operators; Potential bondholders; Friends of Norris Dam State Resort Park; Other interested parties such as Sierra Club;

March 1-May 31, 2004

Assuming stakeholders are satisfied, the following transactions will take place by the listed parties:

Campbell County:

- Approves authorization for taxing authority for site;
- Enters into long term lease of site w/state;
- Authorizes sale of tax increment 4tax exempt bonds;
- Liability limited to site and site generated taxes;
- Grants lease to lodge operator;
- Selects securities company for sale of bonds;
- Securities company sales bonds;
- Proceeds provided-for construction;
- Approves all construction plans;

State of Tennessee:

- Grants special taxing authority to Campbell County at site;
- Grants long term site lease (request of 99 years) to Campbell County;
- Approves lease to operator;
- Approves all construction plans;

Time Line page 2 of 2**TVA**

- Approves lodge concept and use of property;
- Approves lease to Campbell County;
- Approves lease to Lodge operator;
- Approves all construction plans;

Lodge Operator:

- Builds and operates Campbell County Lighthouse Lodge and Convention Center;
- Pays debt service on bonds;
- Pays operating bills;
- Pays sales taxes and In lieu of tax payments;

Tier One Bondholders:

- Buy Tier One “at risk” bonds;
- Bondholders receive tax exempt interest payments @ 8-10%;
- Bondholders receive principal repayment over term of bonds purchased;

Tier Two Bondholders:

- Buy Tier Two bonds;
- Bondholders Receive tax exempt interest payments @ 2.5-4.85%;
- Bondholders receive principal repayment over term of bonds purchased;

June 1-30, 2004

- Contractor for Campbell County Lighthouse Lodge and Convention Center is selected; Construction begins;

July 1, 2004 - March 31, 2005

- Construction and furnishing is completed

April 1, 2005

- Campbell County Lighthouse Lodge and Convention Center opens for business;

May 24-26, 2005

- Memorial Day Weekend Grand Opening

The Lodge

The proposed lodge will sit atop a cliff overlooking the beautiful Norris Lake and Smokey Mountains. The lodge will have 77 rooms with conference facilities to accommodate up to 250 persons. Adjacent to the lodge will be a restaurant with catering facilities and additional meeting space. Complementing the name of the lodge, a 30-foot tall lighthouse will have a gift shop and accessibility to viewing decks.

The Location

The lodge will be visible from Norris Lake and Dam, which is visited by an average of over 90,000 visitors a year, according to the Tennessee States Park Department (see appendix). The site is less than five miles from Interstate 75 which allow travelers along I-75 to learn about the lodge through various marketing strategies, including billboards and rest stop brochures. Visitors can easily find and enjoy the Lighthouse Lodge for an overnight visit.

Target Audiences

The lodge's market will focus on three main demographics; park visitors, interstate traffic, and groups sales. These three markets are reached through various marketing strategies and campaigns.

Over 628,000 people visited Norris State Park between 2000-2001 with only 7,000 renting park cabins or campgrounds. That's over 89% of park visitors who leave the park at the end of the day instead of enjoying the lake and surrounding areas overnight. Money is lost to surrounding counties with hotels and entertainment. Thousands drive at least fifteen miles to stay at a Knoxville area hotel. The Lighthouse Lodge would offer park visitors an alternative to cabins, camping, or driving to Knoxville. The lodge is located at the park entrance so every visitor would be exposed to the lodge and restaurant.

Water activities attract visitors to Norris Lake and Marina. After docking your boat, visitors ride the tram up the cliff to relax after a fun day on the water. There will be no need to tow the boat that evening only to return early the next day. A warm prepared meal from the restaurant and full service resort would provide a peaceful nights rest. With the lodge's location so close to the marina, visitors will be able to leave their boat in the water and relax at the Lighthouse Lodge.

With the interstate so close to the lodge, impulse visitors will take advantage of the lodge and restaurant. The average daily traffic for the exit to Norris Dam State Park is 44,590 according to the Tennessee Department of Transportation (see Appendix). It is estimated that an average 16 million vehicles drive past the Lake City & Norris Dam exit every year. Families and other travelers learn about the lodge through marketing campaigns showing the family friendly lodge. The cost for a room averages under \$90, so a family of four can enjoy a rustic lodge with breathtaking views, good food, and family activities, instead of fast food and truck stops.

With only two turns off the interstate, visitors have easy access to the lodge. Similar park lodges and resorts are off the main interstates so most visitors must plan the trip ahead of time. The Lighthouse Lodge will entice impulse travelers to stay at the lodge and visit Norris Lake State Park Resort.

**“Average daily
traffic along
I-75 is 44,590.”**

Along with park visitors and impulse guests, the Lighthouse Lodge and Convention Center provides superior service to large and small groups. With convention and meeting-facilities, various groups utilize the Lighthouse Lodge for large assemblies. Surrounding counties do not offer similar facilities for company meetings, organization retreats, and wedding parties. Other examples of possible groups using the meeting facilities are Oak Ridge Department of Energy, University of Tennessee, Tennessee Valley Authority, churches, businesses, and schools. Offering group space for meetings will provide visitors year round to help fill the rooms during slow travel months.

The Lighthouse Lodge will offer groups excellent service and amenities at reasonable costs allowing broader group types the chance to use the facilities. Family reunions, wedding parties, class reunions, and other more personal groups will take advantage of the new lodge.

Current Competition

Surrounding Tennessee State Parks along Interstate 75 are Indian Mountain, Cove Lake, and Big Ridge. These parks all include lake, camping, and various outdoor activities. Only Norris Lake offers a marina, museum, recreational center, and easy access to the Interstate. Further up the road in Kentucky, Dale Hollow Lake offers a comparable conference center, lodge, and restaurant package. Like most other parks, Dale Hollow does not have easy access to a main interstate. The directions include five separate highways to get to the park from I-75.

	Lighthouse Lodge & Norris Lake State Park	Mary Ray Oaken Lodge & Dale Hollow State Park
Cost	\$11M	
Size	77 Rooms	60 Rooms
Convention Center	Yes	Yes
Restaurant	Yes	Yes
Gift Shop	Yes	Yes

Benefits of Lighthouse Lodge and Convention Center

The Lighthouse will be the only lodge style resort at Norris Lake State Park and surrounding area. The Lodge will offer a year round option to guests in the area. Currently, the parks cabins and campgrounds are unusable for more guests during the colder months. With a full service hotel and restaurant, visitors will enjoy their stay even more at Norris Lake State Park. The additional visitors and longer visits will provide the park and surrounding communities with new sources of sales tax.

The restaurant will not only support lodge guests but will also offer local residents a beautiful view, excellent service, and unique environment. When residents choose to eat at the Lighthouse Lodge, tax dollars will be kept in Campbell County instead of surrounding communities.

*Sources: Tennessee State Parks Office, www.tnstateparks.com TDOT, Traffic Flow Maps,
Tennessee Roads and Streets 2002 Kentucky State Parks office, www.kvstateparks.com*

Executive Summary

Tourism is the second largest industry in Tennessee, according to the Tennessee Parks and Greenways Foundation. Campbell County can increase their tourism by offering visitors more options to enjoy Tennessee's natural beauty and parks. The top tourist attractions in Tennessee are parks. Tourism contributes, on a statewide level, a total of \$600 million in local and state tax revenue and employs 139,000 Tennesseans.

Norris Dam State Park Resort contains breathtaking views and nature's beauty. It is visited by thousands of tourists every year. Most of these tourists leave the park at dusk and so does their money.

The proposed project of building a full service lodge at Norris Dam State Park Resort will keep those important tax dollars in Campbell County to help improve public services. Under the proposal, county taxpayers acquire no financial liability. Using bonds and other financial methods, the lodge will be built and operated only at a profit to the community. The lodge will bring thousands of new tax dollars to the county and will bring new visitors to the area.

CAMPBELL COUNTY TENNESSEE

**JEFF HALL**
COUNTY MAYORP.O. BOX 421
JACKSONBURG, TENNESSEE 37111

COPY

OFFICE: 423-562-2526
FAX: 423-562-2075

EMAIL: mayor@campbellcounty.gov.com

November 27, 2006

Commissioner James Fyke
Department of Environment and Conservation
1st Floor Annex
401 Church St.
L & C Tower
Nashville, TN 37243

Dear Commissioner Fyke:

The Campbell County Commission on Monday, November 20, 2006, approved a resolution directing the Campbell County Mayor's office to establish a bid procedure for the design, construction and operation of the Campbell County Lighthouse Lodge and Convention Center.

As you are aware, the site for the proposed Campbell County Lighthouse Lodge and Convention Center is currently on land that the State of Tennessee manages through an easement in perpetuity from the Tennessee Valley Authority. The State has subleased the site to Dr. Steve Pemberton as part of his operation of the Lighthouse Marina at Norris Dam.

Dr. Pemberton proposes to return the site to the State in order for the Campbell County Lighthouse Lodge and Convention Center to be built. The proposal further anticipates that the State will subsequently sublease the site to Campbell County and that Campbell County will then proceed with the project subject to the provisions of the authorizing resolution.

Please accept this communication as Campbell County's request to begin the process for transferring the proposed Campbell county Lighthouse Lodge and Convention Center site from Dr. Pemberton to Campbell county. It is my understanding that a public hearing will be necessary to complete this transfer. I respectfully request that the public hearing be scheduled as soon as possible and that this matter be expedited in order to take advantage of current favorable financing rates and construction costs.

The Campbell County Finance Director and Campbell County Attorney's office are authorized to work with you department to facilitate this transaction. Specifically, the new sublease, if approved will need to be long enough to satisfy bond financing obligations.

Thank you for your consideration and assistance in this matter.

Sincerely,



Jeff Hall
Campbell County Mayor

JH/tmc

cc: Senator Tommy Kilby
Representative Joe Armstrong
Representative William Baird

Enclosure: Campbell County Lighthouse Lodge and Convention Center proposal including appropriate resolutions and legislation.

NOVEMBER 20, 2006

RESOLUTION
(19-10-06)
CAMPBELL COUNTY
LIGHTHOUSE LODGE AND
CONVENTION CENTER

A motion was made by Commissioner Ann Smith and seconded by Commissioner Adrion Baird to adopt a preliminary resolution of Campbell County, Tennessee indicating its intent to designate a Central Business Improvement District and to thereupon provide for the issuance of obligations to provide financing in connection with the development, construction, equipping and furnishing of Campbell County Lighthouse Lodge and Convention Center and designate certain participants to the financing. Whereupon a roll call vote was had: Adrion Baird Aye, Forster Baird Aye, Melvin Boshears No, Clarence Bolton Aye, Johnny Bruce Aye, Johnny Joe Dower Aye, David Goins Aye, Whit Goins No, Scott Kitts Aye, Lynn Letner Aye, Stanley Marlow Aye, Lawrence Orick Aye, Ann Smith Aye, Bobby White Aye, and David Young Aye. This motion was adopted with 13 Ayes and 2 Nos.


Jeff Hall, County Mayor, Chairman

Don L. Nance, County Clerk

RESOLUTION NO.19-10-06

A PRELIMINARY RESOLUTION OF CAMPBELL COUNTY, TENNESSEE INDICATING ITS INTENT TO DESIGNATE A CENTRAL BUSINESS IMPROVEMENT DISTRICT AND TO THEREUPON PROVIDE FOR THE ISSUANCE OF OBLIGATIONS TO PROVIDE FINANCING IN CONNECTION WITH THE DEVELOPMENT, CONSTRUCTION, EQUIPPING AND FURNISHING OF CAMPBELL COUNTY LIGHTHOUSE LODGE AND CONVENTION CENTER AND DESIGNATE CERTAIN PARTICIPANTS TO THE FINANCING

WHEREAS, Campbell County, Tennessee (the "County") is authorized, pursuant to Chapter 101, Part 9, Title 21 of the Tennessee Code Annotated, as amended (the "Act"), to issue its obligations to provide financing for County projects which it has legal authority to develop and construct upon the designation of a Central Business Improvement District; and

WHEREAS, the County desires to develop, construct and operate a hotel and convention center and related and ancillary amenities (the "Project") in order to promote the welfare of the citizens of the County and encourage employment opportunities as a hotel conference center; and

WHEREAS, the County proposes to designate the area as a Central Business Improvement District and to authorize the issuance of obligations in an amount sufficient to provide financing for the Project subject to the restrictions of the Act and all applicable state and federal laws as they presently exist, providing that the Project receive all necessary governmental approvals; and

WHEREAS, the County desires to designate certain professionals to participate in the proposed financing;

NOW, THEREFORE, BE IT RESOLVED by the Board of County Commissioners as follows:

SECTION 1. Findings. The County hereby determines that the undertaking of the financing of the proposed Project to be known as the Campbell County Lighthouse Lodge and Convention Center will be a substantial factor in the accrual of public benefits to be received from the Project, should the Project be developed, constructed, equipped and furnished, and that the proposed financing is in accord with the purposes and requirements of the Act. The County further hereby determines that in order to accomplish the financing, it is necessary to designate the area where the project is to be located as a Central Business Improvement district pursuant to Chapter 84, parts 12, et seq., Title 7 of the Tennessee Code Annotated.

SECTION 2. Approval of Proposed Financing. Subject to the completion of the proceedings and other matters relating thereto to the full satisfaction of the County, and

subject to the full satisfaction of the County, and subject to the proposed financing receiving all necessary governmental approvals, the County hereby agrees to issue County obligations in an aggregate amount of approximately \$14,000,000 (the "Bonds") or such other amount as is necessary to finance the Project.

SECTION 3. Bonds to be Limited Obligations. The Bonds to be issued shall be limited special obligations of the County payable solely from revenues to be received by the County from sales and hotel tax receipts to be pledged and/or dedicated for such propose and derived solely from the operation of the Project and shall not be general obligations of the County or any political subdivision of the State of Tennessee.

SECTION 4. Procurement. The Director the Department of Finance is hereby authorized and directed to advertise, according to law, a Notice of Request For Proposals in the form attached as Exhibit A hereto, the terms and particulars of which said Notice for Proposals are by specific reference thereto incorporated in and made a part of this resolution.

SECTION 5. Appointment of Certain Participants. The firm of Crews & Associates, Inc. is hereby appointed as underwriter for the Bonds subject to entering into a bond purchase agreement satisfactory to the County. The law firm of Peck, Shaffer & Williams LLP, is hereby appointed to act as Bond Counsel and is authorized and directed to take any legal action and to prepare and submit to the appropriate parties all proceedings, agreements and other documents as shall be necessary and customary in connection with the issuance of the Bonds.

SECTION 6. Costs and Expenses. Insofar as may be related to the County, all costs and expenses involved in the authorization, issuance, sale, and delivery of the Bonds and in providing financing for the Project, including the fees and disbursements of the Underwriter and Bond Counsel, and/or in any manner otherwise related to the Project shall be paid solely from the bond proceeds. Said Underwriter and Bond counsel and any other interested person, construction manager, architect, design professional, land use planners, and any other professionals, consultants and contractors must proceed solely at their own risk as relates to the County, and no payment of costs and expenses of any nature shall be claimed, made or demanded as relates to the County unless and until the final authorization, sale and delivery of the Bonds by which the Project is financed. Further, the County shall not be or become obligated to pay any costs and/or expenses in relation to the Project, nor shall any such costs and/or expenses be borne or paid by the County, excepting only those costs and expenses specifically authorized by official representatives of the County in strict compliance with the existing purchasing policies, procedures and regulations as adopted by the County.

SECTION 7. Authorization to Initiate Proceedings. The Chairman is hereby authorized and directed to initiate the proceedings described in this Resolution with the Underwriter for the sale of the Bonds by the County subject to the approval by the County.

SECTION 8. Limitations of Resolution. The adoption of this Resolution shall not bind the County to issue Bonds until and unless all other necessary actions and approvals are taken or received in accordance with all applicable laws. This Resolution shall be valid for a period of One (1) year from the date of its enactment and shall expire thereafter without further action by the Campbell County Commission.

SECTION 9. Sunshine Law. The County hereby finds and determines that all formal actions relative to the adoption of this Resolution were taken in an open meeting of the County, and that all deliberations of the county, if any, which resulted in formal action, were in meetings open to the public, in full compliance with applicable legal requirements.

SECTION 10. Effective Date. This Resolution shall take effect immediately upon adoption.

DULY PASSED AND APPROVED THE 20TH DAY OF NOVEMBER, 2006.

ATTEST:

County Clerk
Campbell co/lighthouse resolution/pd


Jeff Hall, County Mayor

June 9, 2005

Copy of letter sent to Campbell County Commissioners

Dear Commissioner:

Thank you for your continued interest in the proposed Campbell County Lighthouse Lodge and Convention Center. I am pleased to report that the enabling legislation requested by the Campbell County Commission recently passed the Tennessee General Assembly.

The next step in the process is to report to the Commission's Ways and Means Committee and the Budget Committee. Please accept this correspondence as our request to meet with the appropriate committees at your workshop scheduled for June 13, 2005.

I am enclosing copies of the booklet that was distributed to the members of the Tennessee State Senate Finance Committee during their deliberations of the legislation. As you can see, the package contains the proposal that was originally presented to the Campbell County Commission in January 2004. The proposal remains the same; the only difference is the time line will be adjusted because of the delay in final passage of the legislation.

Additionally, I am enclosing a copy of the enabling legislation as passed and a copy of an article from the News Sentinel that you may find interesting.

If you have any questions, concerns or comments, please do not hesitate to contact us. We look forward to continuing to work with you and other members of the Campbell County Commission to make the Campbell County Lighthouse Lodge and Convention Center a reality.

Sincerely,



William S. Owen President

Encl. Booklet, House Bill 800, News Sentinel article

601 S. Concord Street
Suite 200
Knoxville, TN 37919-3340
865.544.4220 ph
865.544.4225 fax

Americana Building
1400 Jefferson Davis Highway
Arlington, VA 22219
703.486.3661
email: wandgowen@aol.com

Amendment No. 1to SB0104

Henry
Signature of Sponsor

AMEND Senate Bill No. 104***House Bill No.800**

By deleting all of the language after the enacting clause and by substituting instead the following:

SECTION I. Tennessee Code Annotated, Section 67-6-103, is amended by adding the following language as a new subsection:

(h)

(1) Notwithstanding the allocations provided for in subsection (a). there shall be apportioned and distributed to any county in which there is a state park containing approximately six thousand five hundred (6,500) acres, of which approximately four thousand (4,000) acres are an impounded reservoir, a portion of which is owned by the Tennessee Valley Authority, over which an easement has been given to the state and the state has leased or otherwise conveyed its rights to the property to such county for development, an amount equal to the amount of state and local sales taxes derived from sales occurring within such property. Such amount distributed to the county shall be exclusively for retirement of the indebtedness incurred by such county for development of such property. to the same extent that such county may pledge any revenues of the county.

(2)

(A) Notwithstanding any provision of this subsection to the contrary, no portion of the revenue derived from the increase in the rate of sales and use tax allocated to educational purposes pursuant to Section 9, Chapter 629 of the Public Acts of 1992, and no portion of the revenue derived from the increase in

the rate of sales and use tax *om six percent (6%) to seven percent (7%) pursuant to Section 4, Chapter 856 of the Public Acts of 2002, shall be apportioned and distributed pursuant to this subsection. All such revenue shall continue to be allocated as provided in Chapter 529 of the Public Acts 1992 and Chapter 856 of the Public Acts of 2002.

(B) Notwithstanding any provision of this subsection to the contrary, prior to any annual distribution pursuant to subdivision (1), an amount equal to the state sales and use taxes collected within such area in fiscal year 20062005 shall be deposited in the treasury and allocated as otherwise provided by law.

(3) Prior lo the issuance of any bonds for development of property subject to the provisions of this subsection, the county legislative body shall submit its plan for development to the executive committee of the state building commission for such committee's review and recommendation to the state building commission.

SECTION 2. This act shall become operative only if the estimated cost of software changes necessary to implement the provisions of this act are paid to the department of revenue by Campbell County. Such payment shall be made prior to any expenditure of funds by the state. The department shall return any unused portion of the estimated cost to Campbell County within thirty (30) days of completion of the software changes necessary to implement the provisions of this act. If the actual cost exceeds the estimated cost, an amount equal to the difference in such costs shall be remitted to the department by Campbell County within thirty (30) days of receiving an itemized invoice of the actual cost from the department.

SECTION 3. This act shall take effect July 1, 2005, the public welfare requiring it.

SA0740
00575975

To: *Tennessee State Senate Finance Committee*

From: *Asset & Equity Corporation*

Date: *May 23, 2005*

Re: *Campbell County Lighthouse Lodge and Convention Center Senate Bill 104*

Thank you for your consideration of Senate Bill 104, which is enabling legislation that will allow Campbell County to utilize tax increment financing to construct and operate a hotel and convention center adjacent to Norris Dam State Resort Park. This is the same type of financing used for the Tennessee Titans Coliseum and other projects in the large urban counties.

The enclosed proposal was presented to the Campbell County Commission in January of 2004. A copy of the resolution passed by the commission is also included along with a fact sheet addressing frequently asked questions. (The time line has slipped by a year, but the concept remains the same.)

Please pay particular attention to the Sevier County experience total sales chart. Thirty-five years ago Sevier County decided to embrace tourism as an economic growth goal. The results are astounding. Total sales for the county have grown from less than \$50 million to over \$2.2 billion. Campbell County does not want to become another Sevier County, but the county and the State of Tennessee could financially benefit from developing the Campbell County Lighthouse Lodge and Convention Center.

Campbell County Board of Commissioners*Michael W. Freeman, Chairman*

PO. Box 142 • Jacksboro, TN 37757

423-562-9961

RESOLUTION

Whereas, a proposal to build and construct the *Campbell County Lighthouse Lodge and Convention Center* has been submitted to the Campbell County Commission for consideration; and,

Whereas, the proposal includes a request for a state enabling legislation to allow the Campbell County commission create a special taxing district for the proposed site of the *Campbell County Lighthouse Lodge and Convention Center*; and,

Whereas the deadline for unlimited introduction of state legislation to the Tennessee General Assembly is Thursday, January 23, 2004; and,

Whereas, the Campbell County Commission is interested in learning more about the feasibility, viability and desirability of the proposed project.

Be it resolved by that the Campbell County Commission hereby requests that the Campbell County Commission at its discretion to create a special taxing district for the proposed site of the *Campbell County Lighthouse Lodge and Convention Center*.

Be it further resolved by that the Campbell County Commission encourages interested stakeholders to initiate discussions and negotiations to determine if the project should proceed.

Be it further resolved by that the Campbell County Commission requests that the originators of the proposal work with representatives of the Campbell County Commission, the State of Tennessee, the Tennessee Valley Authority, the Friends of Norris Dam State Resort Park, the Sierra Club, and other interested parties to determine the feasibility, viability and desirability of building the proposed *Campbell County Lighthouse Lodge and Convention Center*.

Be it further resolved that the originators of the proposal are requested to report back to the Campbell County Commission by March 29, 2004.

Adopted January 20, 2004

Campbell County Board of Commissioners

Michael W. Freeman, Chairman

PO. Box 142 • Jacksboro, TN 37757

423-562-9961

March 12, 2004

Commissioner Betsy Child
Department of Environment and Conservation
State of Tennessee
401 Church Street, 21st Floor, L & C Tower
Nashville, TN 37243-00435

Dear Commissioner Child:

The Campbell County Commission passes a resolution in January directing the County to explore the possibility of constructing a resort hotel and convention center at Norris Dam State Resort Park. I am enclosing a copy of the resolution that authorizes the originators of the proposal to begin negotiations with the State of Tennessee and other interested parties.

Please be advised that Mr. Steve Pemberton and Mr. Bill Owen are the originators of this proposal. I am aware that they have had initial discussions with your office and will continue to explore the "feasibility, viability and desirability" of this project. I would appreciate any cooperation you and your office could offer in the discharge of the responsibilities of the resolution.

Thank you for your assistance,

Sincerely,



Michael Freeman
Chairman,
Campbell County Commission

PT

Encl.: Campbell County Commission Resolution, January 20, 2004

December 19, 2006

Mr. William S. Owen

Dear Mr. Owen:

This is in response to your e-mail to Laura L. Adkins regarding the Tennessee Valley Authority's (TVA) Board-approved Land Policy and its potential affect on the proposed Campbell County Lighthouse Lodge and Convention Center.

TVA does not manage the public land you identified (adjacent to Norris Dam). The state of Tennessee manages this property as part of the Norris Dam State Park. The easement granted by TVA to the state of Tennessee is for public recreation.

Pursuant to the TVA Land Policy, no overnight accommodations (other than campgrounds) are permitted unless a recreation area is owned by a state or state agency and operated as a component of a state park system. The state of Tennessee has the necessary land rights to request TVA to review and/or approve this project. Any request for land transactions on this parcel, including leases, proposed construction activities, and future management proposals, must come from the state of Tennessee to TVA.

Any future questions should be addressed to the Tennessee Department of Environment and Conservation. Commissioner Jim Fyke is aware of the proposal, and TVA would be willing to discuss the interpretation of the easement document at Commissioner Fyke's request.

If you have additional questions, please contact Donna E. Norton, Manager, Watts Bar-Clinch Watershed Team, at (865) 632-1340.



Kathryn J. Jackson
Executive Vice President
River System Operations & Environment
Tennessee Valley Authority



November 13, 2006

Mayor Jeff Hall
Campbell County Courthouse
Jackboro, Tennessee

Dear Mayor Hall,

I appreciate you taking the time to visit with me regarding the financing of the proposed Lighthouse Lodge at Norris Dam Project in Campbell County, Tennessee. Our firm has been successful in assisting entities consummate financing transactions for a wide variety of projects. Furthermore, we would be most appreciative of the opportunity to assist you in developing the most efficient financing structure.

Currently, I am sending this letter to express our interest in providing investment banking services for the proposed Lighthouse Lodge at Norris Dam Project. Crews & Associates, Inc. is a wholly owned, non-bank affiliate of First Security Bancorp. Our Public Finance Group provides underwriting and financial advisory services related to note, bond, lease and other transactions to clients throughout the nation. As of December 31, 2005, Crews was capitalized to underwrite transactions of \$100 million par amount. Furthermore, the alliance with First Security Bancorp, a multi-billion dollar bank holding company, provides Crews & Associates, Inc. with access to additional resources to underwrite bonds and lease programs for borrowers.

Once again, I appreciate your interest and look forward to working with you on this and many future transactions. If you have any questions or need additional information, please feel free to contact me at 800.766.2000.

Respectfully,

Alan Burdette
Investment Banker

Crews & Associates, Inc.
First Security Center
521 President Clinton Avenue
Little Rock, AR 72201

LOCAL (501) 907-2000
TOLL FREE (800) 766-2000
FAX (501) 907-4000

Member SIPC & NASD

601 S. Concord Street
Suite 200
Knoxville, TN 37919-3340
865.544.4220 ph
865.544.4225 fax

Americana Building
1400 Jefferson Davis Highway
Arlington, VA 22219
703.486.3661
email: wandgown@aol.com

***Organizations Endorsing and/or supporting
Campbell County Lighthouse Lodge & Convention Center***

- Campbell County Commission
- Campbell County Economic & Community Development Council
- Lake City City Council
- Tennessee General Assembly

News
Staff Writer

SUNDAY, MAY 29, 2005

B9

Senate OKs lodge consideration

BY BOB FOWLER
bfo@news.com

The state Senate on Saturday approved legislation that would allow the Campbell County Commission to consider a controversial lodge and convention center near Norris Dam.

The state House earlier approved the bill. Gov. Phil Bredesen must now sign it into law.

"This was the easy part," said former state Sen. Bill Owen, financial advisor for the proposed Campbell County Lighthouse Lodge and Convention Center.

"Now we have to go back to the Campbell County Commission and request that they authorize it," Owen said.

The enabling legislation will permit the Campbell County Commission to issue \$1 million in tax-exempt bonds to finance the project.

Planned is a 100-room lodge and convention center off U.S. Highway 441 just inside Campbell County and adjacent to Norris Dam State Park.

Developer Steve Pemberton, who operates the Lighthouse Marina near Norris Dam, leases the property. The lodge site is owned by TVA, which has granted an easement to the state.

Pemberton plans to give the land back to the state with the understanding the state would lease it to Campbell County. Pemberton hopes to be named manager of the new center.

A special taxing district would be created for that site, and revenue from it would be used to pay off the bond issue.

Members of Friends of Norris Dam State Park voted to express opposition to the project during a special general membership meeting earlier this

spring.

Members have repeatedly expressed concern that the lodge would detract from the park's natural beauty.

Lake City's City Council, its Chamber of Commerce and Campbell County's economic development group have endorsed the project.

Owen said he intends to update Campbell County commissioners on the enabling legislation during their workshop session next month. If it clears the commission, work will begin on finding buyers for the special bonds, he said.

"We are excited at the opportunity that this provides Campbell County," Owen said Saturday.

Bob Fowler, News Sentinel
Anderson County editor, may be
reached at 865-483-3625.



MARK HUMPHREY/ASSOCIATED PRESS

Campbell County Lodge and Convention Center legislation passed the State House of Representatives by a vote of 85 to 4.

ANDERSON/BLOUNT REPORT

B3

MONDAY, AUGUST 16, 2004

Norris resort plan creeps closer to reality

BY BOB FOWLER
fowlerb@knews.com

NORRIS — Earlier this summer, owner Steve Pemberton changed the name of Norris Dam Marina to the Lighthouse Marina at Norris Dam.

The move was made, he said, to mesh with his ambitious plan to build a lodge atop a nearby hill he leases from the state that overlooks the dam and Norris Lake.

The name of that planned project on land next to Norris Dam State Park, he said, is the Lighthouse Lodge and Convention Center.

For now, only a small, scale model of his dream sits in the marina office. It's been there for a couple of years.

Pemberton's vision is an \$11 million project, a 102-room lodge and convention center. The site would feature such amenities as an outdoor ice-skating rink, walking paths, waterfalls and a tram system between the marina and lodge, he said.

Crowning the project, Pemberton said, would be a 70-foot-tall lighthouse where visitors on its observation deck would be treated to a sweeping vista that includes the Smoky Mountains.

"I want it to look like it was built when the dam was built,"



BOB FOWLER/NEWS SENTINEL

Steve Pemberton shows off a model of the proposed Lighthouse Lodge he wants to build adjacent to Norris Dam State Park and atop the hill behind him. If the state and TVA approve his plans, construction of the \$12 million facility could start this fall, he says.

Pemberton said of the planned lodge. "We want the stone look. We want the ivy look. We want to keep as many trees as we can."

Pemberton's project remains for now on the drawing board, entangled in a mass of paperwork, legislation and political negotiations that will be needed to make it a reality.

Pemberton has hired former state Sen. Bill Owen, a financial adviser with Asset & Equity Corp. of Knoxville.

"We're proceeding with it (the project) full speed ahead," Owen

said. "There are huge amounts of work to do before it's constructed."

The site is off U.S. Highway 441 just inside Campbell County and atop the old quarry where rock for Norris Dam was obtained.

The land is owned by TVA and leased to the state. The state in turn has subleased the property to Pemberton.

"There will be a series of contracts that are put together to make the deal work," Owen said. Campbell County commis-

sioners were told of the project early this year and went on record expressing interest in it.

Owen said tax-exempt bonds would be issued to finance the project. To obtain that funding, the facility would have to be leased to Campbell County while the bonds are paid off, he said.

Campbell County, in turn, would have a contract for an operator — presumably Pemberton — to manage the lodge while the debt is paid, Owen said.

The next hurdle in the project before finalizing anything with Campbell County is to negotiate a contract with the state, he said.

Actual construction could start sometime next year, Owen said. Pemberton said it's expected the lodge could be built in 12-14 months. "We want to try to open in the spring of 2006," he said.

"There's a sign at Norris Dam that says 'Norris Dam State Resort Park,'" Owen said.

"Where's the resort?" he asked. "The state has built resorts at parks in Middle and West Tennessee. East Tennessee doesn't have anything."

"It (the lodge and convention center) would benefit the people who use Norris Lake," he said. "It would benefit the state park. It would benefit Campbell County."

"It's basically a public/private partnership that would benefit the area tremendously."

Bob Fowler, News Sentinel
Anderson County editor, may be
reached at 865-481-3625.

FISH & BIRDIES



A pristine landscape of blue and green envelopes guests at Dale Hollow Lake State Resort Park. The lodge and conference center is a popular year-round destination.

New golf course quite a catch for Dale Hollow Lake State Resort Park

BY MICHAEL LAMME
lamme@news.com

BIRMINGHAM, Ky. - Don't be mistaken, it's all about the lake. People come here to enjoy fishing and water sports of all kind. Dale Hollow Lake offers crappie, bass, muskie, walleye, trout, catfish and five species of bass. The clear blue lake holds the world record for largest smallmouth bass - not just the top spot, but also the top three.

All the buzz about fishing may change. A premium 18-hole, par-72 golf course opened in early July at Dale Hollow Lake State Resort Park. Now people come to play golf and fish.

"The course makes this a true resort," says business manager Doug Thomas. State park officials prefer the \$25 million

investment as the best course in the park system, if not the best in the entire state.

"With the opening of the golf course, we have people down all over the lake calling and wondering where they can park their boats when they come to play golf. There's a big demand

See RESORT on F3



Hole 16 at the golf course of Dale Hollow Lake State Resort Park pleases the eye but leaves the golfer. A wide fairway with a dogleg right invites bigger hitters to try to reach the green on the second shot.



DALE HOLLOW STATE RESORT PARK

From Interstate 75, take the Cumberland Parkway to Burkesville, Ky., and then follow KY 61 to KY 563 east, then south on KY 448 and KY 3206.

In Burkesville call 800-325-2282 or check Web site www.dhs.com/golf/index.htm. Room rates vary according to season. They range from \$53 to \$76.

18-hole course best \$25 on weekdays, \$30 on weekends. Cart rental: \$15.

The clubhouse at Dale Hollow Lake State Resort Park has 35 open slips. Pontoon boats and fishing boats can be rented by the day.

RESORT

from F1

for the marina to be larger," says Vaughn. This leaves for horseback, golf carts, old boats and pontoon boats is slated for renovation and expansion. Inland area is necessary for fishermen and vacationers.

Dale Hollow State Resort Park is the newest and second largest state park in Kentucky. It spans 3,400 acres across a wooded peninsula. A lodge with 60 rooms is perched high on a bluff, offering guests to overlook the lake and a scattering of islands. A new \$2.5 million conference center adjoins the stone and cedar lodge. Swimming pool, gift shop, guest room and restaurant are conveniently located here, too.

"The restaurant is best known for the Kentucky Hot Brown," says Vaughn, referring to a favorite dish of the Bluegrass State. A blend of turkey and sage-crusted ham over toast is topped with a cheese sauce, sliced tomatoes, celery leaves and Parmesan cheese. Chef Jim Stinson and his staff prepare many traditional Kentucky foods - fried chicken, roast beef and cornish. "We make fresh rolls, we make rubbers, we make biscuits, we make the old-fashioned way like Grandma used to make," he says. "We make a cornbread salad that's a little bit unusual. It's made with cornmeal, beans, peppers and onions."

Campers have 164 sites for their use, plus a swimming pool and recreation area. The park staff organizes musical entertainment and activities, such as crafts, water games, Wildlife Ball, tournaments and more. Campsites for horseback riders and their animals are located in an adjacent area. Horse, horseback and a forestry subsidiary shade picnic tables.

While driving through the park, we see deer slip from woodlands to graze on meadows. Wild turkeys take shelter as we approach. "Several families of bobcats live in caves around here," says Vaughn. Pine beetles have damaged stands of trees, but this has allowed dispersed trees to flourish.

The park's 15 miles of trails capture a lot of attention. It's the longest trail in the park, too," says Glen Murphy, assistant recreation director. "The eight-mile Bloom Ridge Trail leads into Tennessee. If you walk far enough," four of seven, about trails are suitable for mountain biking and horseback riding.

A monster on the mountain

The Dale Hollow Lake golf course stretches 2,273 yards across the top of the lake's jagged bluffs and takes full advantage of the rugged terrain.

"Every hole is different. Every hole is to itself," said course superintendent Marty Widens.

Because Widens for his personalization. He has grown attached to this golf course, having watched fairways and greens emerge from honeycomb-like thickets and pine knots. Building the course required moving 600,000 yards of dirt. While most golfers may focus on the best green line and greens and 20-year fairways, Widens points to another along the edges. "There are dogwoods and oaks scattered all through here also. It's awesome." The course wraps around a peninsula, up and down crevices and across high bluffs.

Hole No. 8 is par 5, flanked by a waterfall and small cave. It measures 520 yards. No. 14 offers a third-of-an-acre, fairway-long sand trap. No. 14 goes around a huge rock pile. No. 15 is more barren than golf hole with a long, deep gouge that stretches from the tee to a green that is perched atop a 10-foot high rock wall.

"There was a cave on No. 12 that they had to cap because it would come into play," says Widens. With doglegs, sand traps, natural springs, rock outcroppings and fierce wind conditions, excuses for lost balls remain plentiful.

Units/Lodge may be reached at 800-342-0423. She is latest editor of The News Sentinel.

Campbell County Joint Economic and Community Development Council Unanimously Supports Resort Project

Lighthouse Resort is 'worthwhile'

**By Jeremy Z. Young
Volunteer Times
Reporter**

The Joint Economic and Community Development council, which meets quarterly, held its meeting Tuesday, Oct. 28, to discuss various businesses, which may be starting in Campbell County.

The council met with William Owen, President of Asset & Equity Corporation and Steve Pemberton, owner of Norris Dam Marina, to discuss several aspects of the Lighthouse Resort planned to be built. The project includes specifications for a full service spa, restaurant for 275, a lighthouse with observation deck 70 feet tall with (hopefully) local art, a gift shop, trams to the marina, banquet facility, PowerPoint presentation systems for conferences, gazebos, and an ice-skating rink. The 104 room hotel will also feature elegant, high ceilings for such events as weddings, and the State Park is right around the corner.

"I think we can draw a lot of people into this area to hold national conferences," said Pemberton.

Owen came prepared with marketing strategies for attracting more tourism into this area. The resort, proposed to cost \$10 million to build, will be located within Campbell County. Access to the Resort will come from highway 441, and TVA has granted an easement for use of this property, which will be leased to Pemberton. "We are pursuing this with vigor," said Owen.

Financing projections were assumed at 30% occupancy to assure that loans could be afforded, and if the concept passes its necessary hurdles in government it will open in spring 2005 to receive the full benefit of the warm tourist season.

"I can't think of a downside to this project," said local physician Andrea Buck, a council member.

Pemberton replied, "It's a win-win situation for everybody. The state will ben-

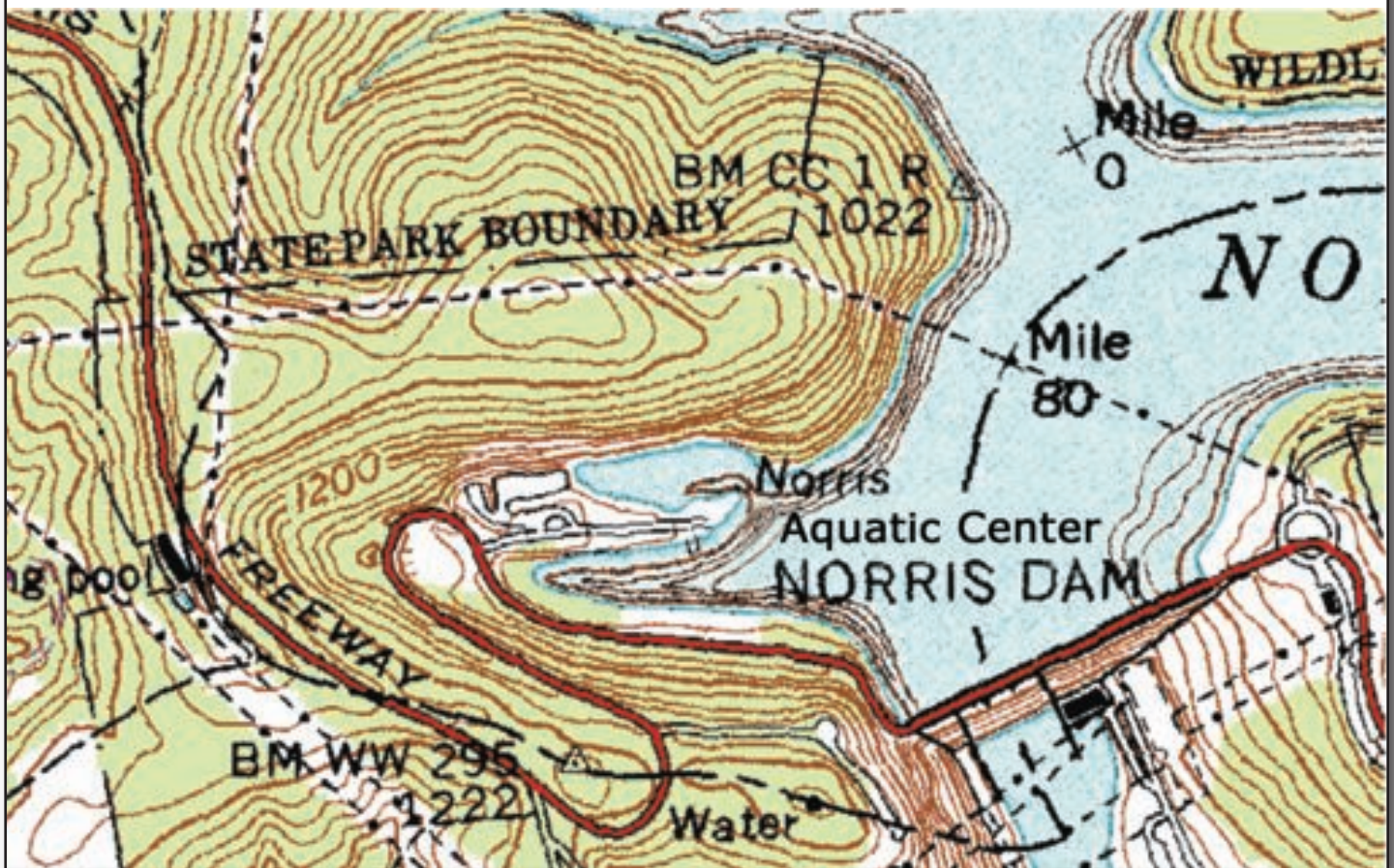
efit without footing the bill."

Owen concluded his statements by saying, "Sevierville has mountains, but in Campbell County you can see the mountains and the lake. Over 1 million people a year are on Norris Lake...I don't think anywhere in the state has what we are proposing."

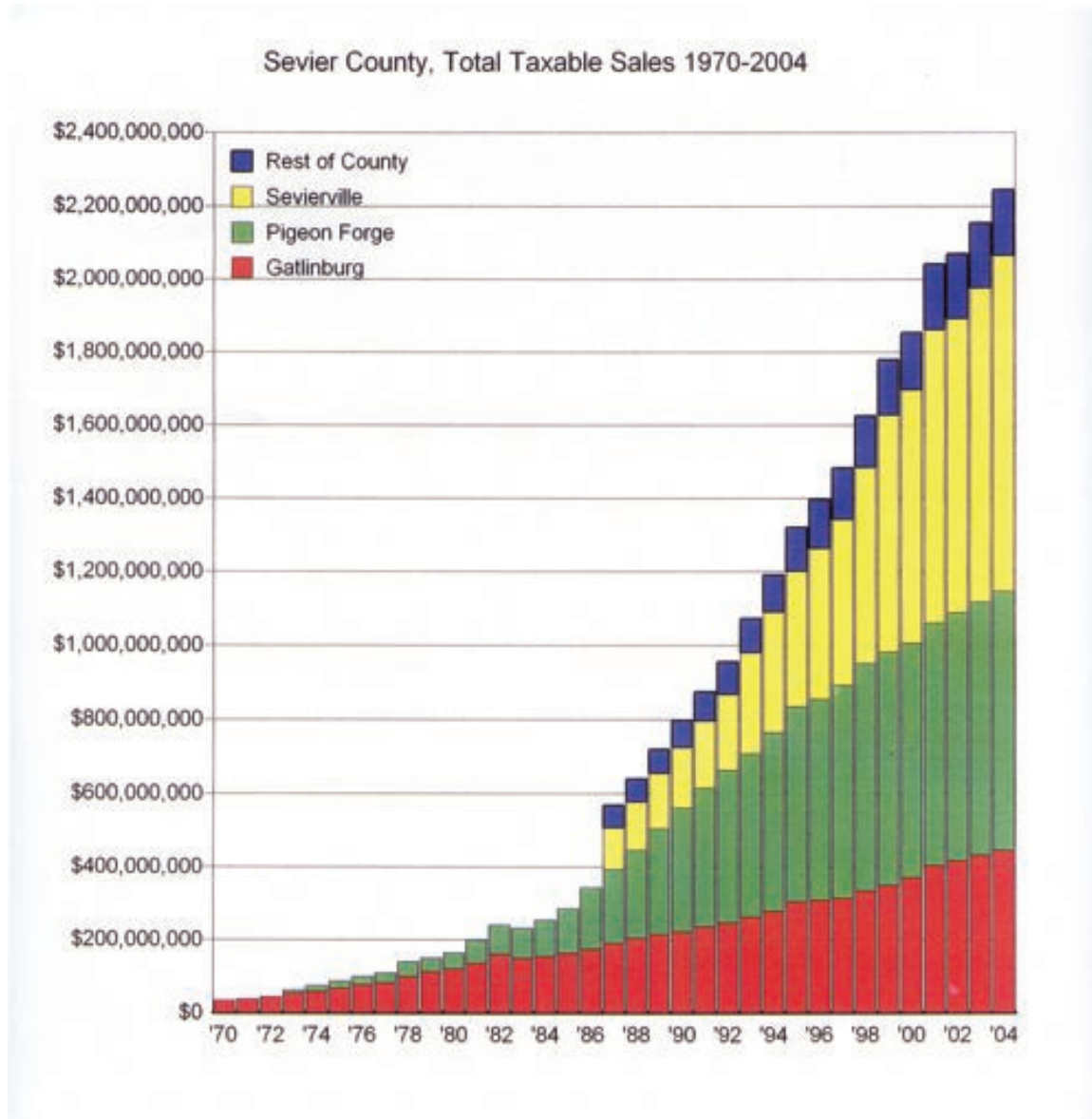
"I feel like we will add on, and we're making it possible to do that," said Pemberton.

The meeting adjourned with only one motion made and passed; the motion by Dr. Buck to recommend to the Campbell County Commission that this is a worthwhile project for Campbell County. The motion was seconded by General Carl Steiner, and passed unanimously.

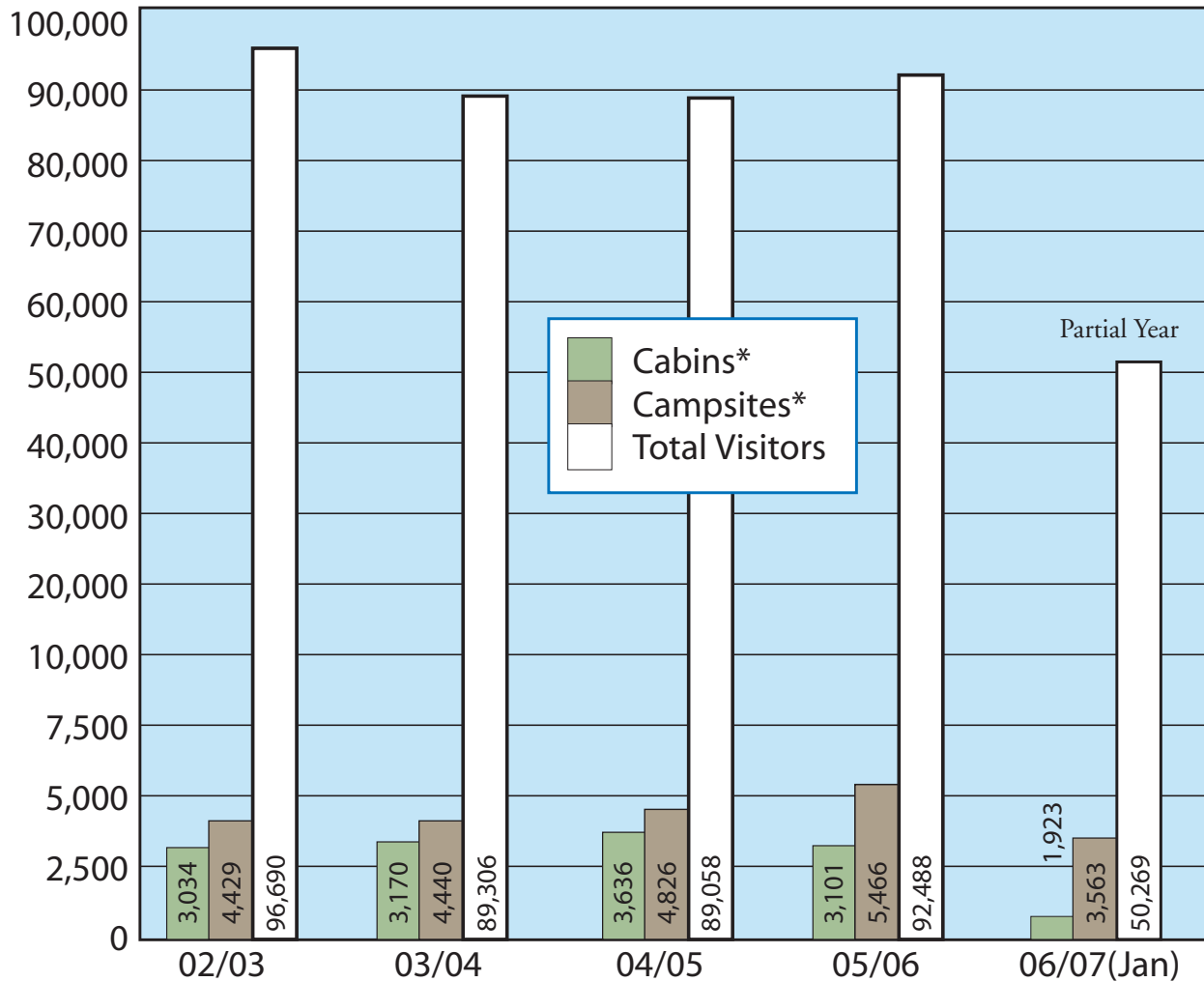
USGS quad of the Norris Lighthouse Resort site area



Sevier County Taxable Sales

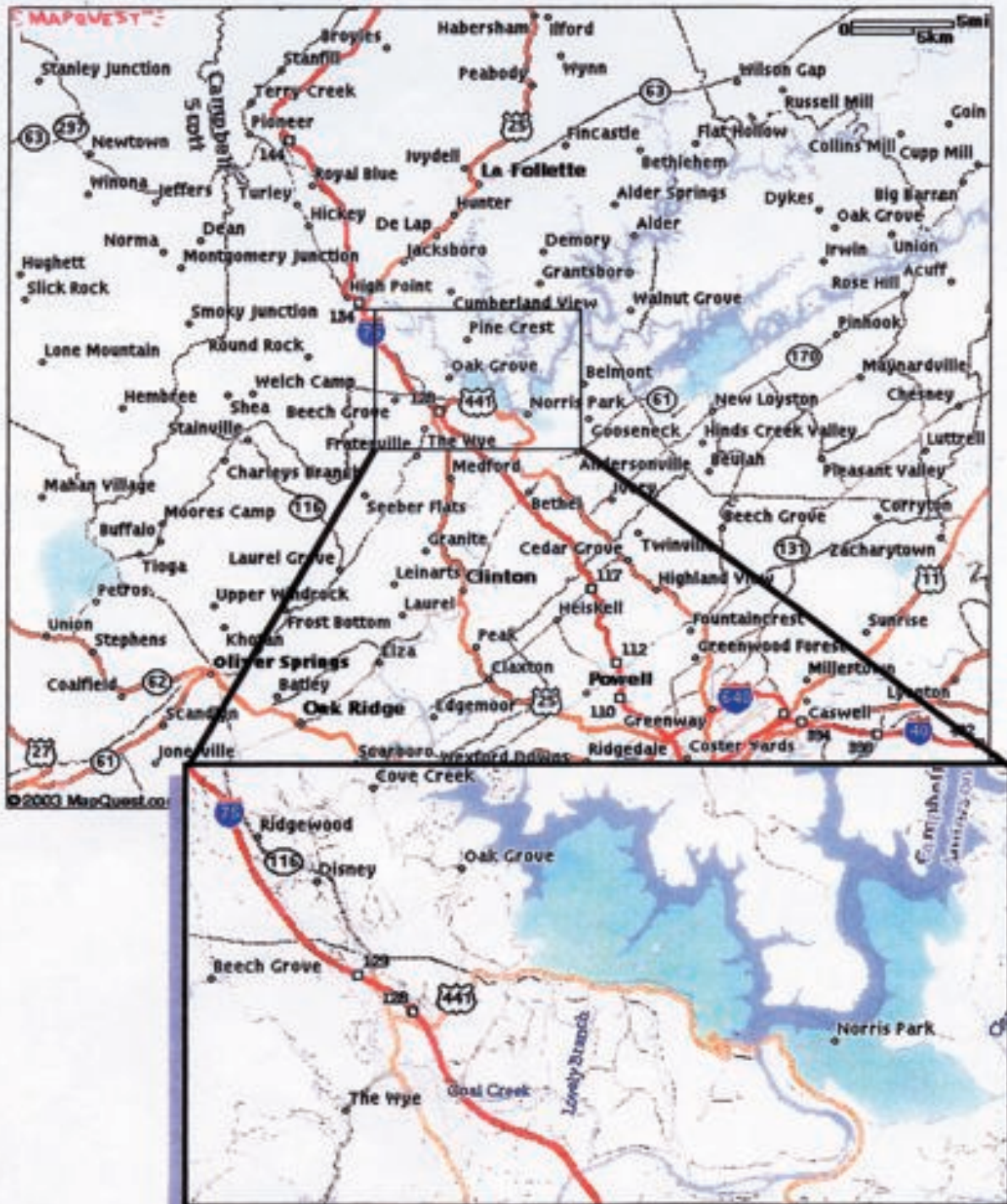


Norris Dam State Park Occupancy Rate and Visitation



Occupancy Rate and Visitation, attendance is based upon a car counter at Norris Dam State Park.

*Cabins and Campsites: Total Number of occupied nights.



601 S. Concord Street
Suite 200
Knoxville, TN 37919-3340
865.544.4220 ph
865.544.4225 fax

Americana Building
1400 Jefferson Davis Highway
Arlington, VA 22219
703.486.3661
email: wandgown@aol.com